



Massachusetts Teachers' Retirement Board

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MTRB Employer Bulletin

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Members' Annual Statements will be mailed in May

We would not be able to provide dependable, timely and accurate annual statements without your efforts and support

Each year, the boards governing the 106 Massachusetts contributory retirement systems are required to mail annual account statements to active members. The statements vary slightly in format from board to board, but the MTRB version provides members with:

- a detailed summary of their account balance (broken down into pre-tax, after-tax, interest and current year and prior balance totals),
- beneficiary designation(s), and
- additional personal information such as age, number of dependents and marital status. The latter data elements are used by the system's fund managers to predict liabilities and demand levels.

In addition to providing members with financial data, the distribution of statements is an opportunity for MTRS members to review and update their account information. With a population of over 85,000 active teachers and administrators, there is a large number of marital status changes, changes in the number of dependent children, beneficiary changes and address changes in the course of a calendar year.

We depend on—and appreciate!— your help

In order to be able to distribute this information to our members, the MTRB depends on the state's 410 municipal and regional school districts, charter schools and educational collaboratives to submit accurate and timely deduction reports. The MTRB receives, validates and processes over 4,900 deduction reports every year. If a

district fails to send funds or provide complete and valid data before the deadline when we must extract the information from our system and send it to the contractor who produces our member statements, it becomes impossible to create statements for that district's teachers.

We are grateful for the cooperation and assistance we receive from our counterparts at the school district level throughout the year. You make it possible for us to distribute this important document to your teachers. Ultimately, it is based on the calculations that you do and the reports that you compile and submit. We would not be able to provide dependable, timely and accurate annual statements without your efforts and support.

As in past years, we will be sending a sample of the statement form and accompanying materials to all superintendents. ■

Want to help us save postage and printing costs?

Tell us you'd like to receive your next copy of the Employer Bulletin via e-mail only!

Currently, we send the Bulletin to our employer representatives via e-mail and US mail. However, in an effort to save costs, we're asking those readers who can do without the printed copy to notify us that they'd be happy to receive only the e-mailed version.

If you're OK with receiving the e-mailed version only, please send an e-mail to us at empsup@trb.state.ma.us, and say, "Yes, I'd like to help save costs. Send me the e-mailed Bulletin only," and we'll send the next issue right to your desktop—with our thanks!



Beware: Employees convicted of certain crimes forfeit their right to a retirement allowance or a refund

No settlement or guilty plea will prevent the member's benefit from being forfeited upon conviction

Occasionally, newspaper headlines remind us that teachers, and other public employees, forfeit their retirement allowances if they are convicted of certain crimes. These

Neither the employer nor the member, nor even the judge, can "negotiate away" the forfeiture.

The retirement allowance is forfeited automatically upon conviction, regardless of the circumstances.

crimes include misappropriation of public funds, accepting or soliciting a bribe, crimes involving students, or any other crime involving violation of the laws applicable to the teacher's position. Similarly, no teacher who is suspended due to an indictment for misconduct in office, and who attempts to retire while suspended, shall receive a retirement allowance. Rarely is the employee fired and convicted after a trial. In many instances, of course, the employer will begin termination proceedings against a teacher who is

facing criminal charges. Those proceedings often end in a negotiated settlement rather than a formal termination. Also, teachers accused of work-related crimes often plead guilty to some charge rather than go through the long, difficult trial process.

Unfortunately, many teachers in this difficult circumstance come to believe that if they leave their employment quietly, or if they plead guilty to the charges, nothing will affect their retirement allowance. The teachers may base this impression on statements from their employers, statements by school counsel, statements by their own attorneys, or even statements by a judge. Employers should be aware, however, that no settlement or guilty plea will prevent the member's retirement allowance from being forfeited upon conviction. Neither the employer nor the member, nor even the judge, can "negotiate away" the forfeiture. The retirement allowance is forfeited automatically upon conviction, regardless of the circumstances.

The Board often learns of potential forfeitures from employers and, indeed, recent legislative changes impose a duty on public employers to notify the retirement board of members who were indicted and suspended for misconduct in office, and of the outcome of the case.

Responding appropriately to an employee charged with criminal misconduct is one of the most difficult situations a public employer will face. Retirement issues are only one small part of the difficulty. When faced with this situation, employers or their school counsel should contact MTRB General Counsel James Salvie, at 617-878-2877 or james.salvie@trb.state.ma.us, for more information on how to proceed. ■

Update: eRetirement system implementation delayed

The employer reporting component prototype was not satisfactory, so it's back to the drawing board

The implementation of eRetirement, our new web-based reporting and information management system has been delayed. After thorough prototype testing, we concluded that the employer reporting component of the system, which would enable school districts to report their teachers' retirement deductions via a secure web application, was not satisfactory and will require significant rework. The employer reporting component is the portal for collection and validation of the data on which all MTRB benefits processing is based; therefore, it is one of the most important aspects of our system.

We will update you on the new timeline for eRetirement at our summer employer training seminars. In the meantime, we request that you continue to review, and improve as necessary, your compliance with the MTRB's

reporting and data accuracy requirements. The most common deficiencies we presently encounter are:

- failure to separate additional compensation, such as longevity bonuses, special stipends and coaching pay, from the reported base earnings; and
- omission of data elements such as accurate position codes, certification numbers or pay frequency factors.

Representatives from our Employer Services department continually monitor data quality and compliance with reporting deadlines, and will contact you as problems appear. Many of you have already made significant improvements in the quality of your data and the timeliness of your reports. Better data allows us to provide better service to your employees—we appreciate your cooperation. ■

Update on our new online retirement application process: So far, so good!

The new process has resulted in fewer callers asking, "How much will my benefit be?" and the rate of incomplete applications has decreased from approximately 20 percent to just 7 percent!

We are extremely pleased to report that, in the two months since we implemented our new online retirement application process and form, we have experienced significant improvements in our daily operations.

- **The number of phone calls from members wanting an estimate of their retirement allowance has decreased greatly.** The new process requires a member to use our online benefit estimator *before* he or she can access the downloadable application. In February alone, more than 6,000 individuals visited our online estimator and performed an average of two different benefit estimates. Jonathan Osimo, our Manager of Benefit Calculations, noted, "In the old process, we provided members with two lengthy instruction booklets, and several different forms. Unfortunately, many applicants just didn't read the materials. The online process, however, is immediate and requires the person's attention—and we're finding that members are reading the information more carefully now."
- **The percentage of incomplete applications has decreased from approximately 20 percent to just**

7 percent. Additionally, the documentation that is missing is usually minor, and usually just one piece instead of several. We are especially happy to note that, of the 600 new retirement applications received to date, *all* have included the member's desired retirement option selection.

- **The service and salary data now provided on Part 2 should result in our making fewer phone calls to payroll administrators.** Your efforts in completing Part 2 are much appreciated, and will greatly facilitate our processing, and save us both time! ■

"The new process has enabled retirement applicants to help themselves. And they're finding that they can do it on their own!"

—Jonathan Osimo,
Manager, Benefit Calculations

Please plan to attend one of our programs!

MTRB announces 2005 employer training seminar series

In July and August, the MTRB Employer Reporting unit will present our 2005 training seminar series for school district business administrators. These programs are intended for everyone involved in the administration of the teachers' retirement system at the local level, including payroll officers, business managers, town and regional treasurers, benefits coordinators. The program will focus on data collection, error correction and changes in public retirement law over the past year. Registration will be

conducted online at a future date; watch your e-mail for an announcement. We look forward to seeing you at one of our programs!

Please make sure your MTRB Employer Reporting representative has your most recent e-mail address for future updates regarding our upcoming training sessions. If you didn't receive your *Employer Bulletin* via e-mail, please send your e-mail address to us at empsup@trb.state.ma.us. ■

Summer 2005 Employer Seminars: Tentative schedule

<input type="checkbox"/> Taunton	Tuesday, July 26	Holiday Inn
<input type="checkbox"/> Worcester	Thursday, July 28	College of the Holy Cross
<input type="checkbox"/> Pittsfield	Friday, July 29	Crowne Plaza Hotel
<input type="checkbox"/> Waltham	Tuesday, August 2	Four Points Sheraton
<input type="checkbox"/> Fitchburg	Thursday, August 4	Fitchburg State College
<input type="checkbox"/> Holyoke	Tuesday, August 9	Holiday Inn
<input type="checkbox"/> Wakefield	Thursday, August 11	Sheraton Colonial Hotel & Golf Club
<input type="checkbox"/> Hyannis	Friday, August 12	Sheraton Inn

FROM THE EMP SUP@TRB.STATE.MA.US INBOX

Q: Why does the MTRB return excess deductions to the school district instead of directly to the member?

From time to time we are required to return contributions sent to us that were either derived from non-pensionable earnings or were calculated using an incorrect deduction rate higher than the member's true rate. Because these are pre-tax payroll deductions, the MTRB follows a policy of returning them to the member's school district.

We are aware that this method of dealing with excess refunds may cause accounting and processing problems for employers. We have also observed that some vendor products create a negative value on the report output when excess deductions are returned to the member through the payroll system. The result is an incorrect report total when the sum of all the contributions being reported is calculated. If the contribution total expressed by the system is used to determine the check amount, a hidden variance will result.

When the MTRB Employer Reporting representative processes the report and detects this, the posting of contributions to the district's teachers' accounts will be delayed until the matter is resolved. The solution can require an intensive analysis of the report data and the creation of an additional check by the district to account for the missing amount.

To avoid this confusion and unnecessary extra work we advise our counterparts in school districts to:

- **consult** their vendor representatives or MIS specialists to see if this situation exists;
- **examine** their deduction report output paying special attention to records for members who are having refunds returned in the payroll; and,
- **avoid** any input that results in the appearance of negative numbers anywhere in the report.

These simple precautions can help us steer clear of a particularly complicated problem to solve. ■

Do you have a question about enrolling a member, withholding retirement contributions, establishing contribution rates or submitting payroll deductions? If so, please submit it to us at empsup@trb.state.ma.us and we'll reply via e-mail.

We'll publish the Q&A that we think might be helpful to your colleagues in our Employer Bulletin.



School nurses and RetirementPlus: Be aware of the creditable service eligibility criteria before electing in

RetirementPlus is one of the most important benefits the Legislature has granted to the members of the Teachers' Retirement System in recent years. The enhancement provided by the RetirementPlus program, however, is not available to all members, not even all the members who elected to participate. Only members who meet certain creditable service requirements can receive the enhanced benefit.

To receive the benefit, a member must have at least 30 years of creditable service, at least 20 of which must be service "as a teacher." Naturally, the Board interprets "as a teacher" to include any position that is eligible for membership in the Teachers' Retirement System, including principals, superintendents and other administrative positions.

These creditable service criteria, however, present a special problem for school nurses since nurses have only

recently been eligible for membership in the Teachers' Retirement System. The System's eligibility criteria for most positions require certification from the Department of Education, and the certification for nurses was created only in 1993. Moreover, membership in the System for any individual nurse would not have begun until the System began to receive contributions for that nurse, or a transfer of the nurse's account, which would have occurred no earlier than 1997. Thus, it is impossible right now for a school nurse to have accumulated 20 years of service "as a teacher," even if he or she has over 30 years of total creditable service.

Employers can supplement the System's own educational efforts and perform a valuable service to the members by making sure school nurses know of these important restrictions before making an election to participate in RetirementPlus. ■